



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

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2 TO: The Commission  
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19 SUBJECT: MURs 7005 and 7056 (Adam H. Victor and TransGas Development Systems,  
20 LLC) Pre-Probable Cause Conciliation and Case Closing Memorandum  
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22 **I. Introduction**

23 The Commission previously found reason to believe that Respondents Adam H. Victor  
24 and TransGas Development Systems, LLC ("TGDS") violated 52 U.S.C. §§ 30116(a) or  
25 30118(a), and 30122, provisions of the Federal Election Campaign Act of 1971, as amended (the  
26 "Act"), by making excessive or prohibited contributions in the names of employees, business  
27 associates, and members of Victor's family to two candidate committees, Manchin for West  
28 Virginia ("Manchin Committee") and Friends of Herman Cain ("Cain Committee").<sup>1</sup> During the  
29 investigative stage of these matters, Victor signed an affidavit in which he states under penalty of  
30 perjury that he and TGDS made \$20,000 in contributions in the names of one business associate,  
31 Randall Harris; two employees, Marta Dani and Nana Yoshioka; and five family members,  
32 Victor's wife and four children, in knowing and willful violation of the Act.<sup>2</sup>  
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34 On April 27, 2017, the Commission authorized pre-probable cause conciliation and  
35 approved a conciliation agreement.<sup>3</sup>

<sup>1</sup> See Second Amended Certification, MURs 7005 and 7056 (Nov. 16, 2016).

<sup>2</sup> See Second Gen. Counsel's Rpt. at 2-5, Attach. 1, MURs 7005 and 7056.

<sup>3</sup> See Certification, MURs 7005 and 7056 (Apr. 27, 2017).

As discussed below, we have completed our negotiations with Respondents and recommend that the Commission accept the signed agreement.

In addition, at the time it made its reason to believe findings, the Commission decided to take no action at that time with respect to the other Respondents that the Complaints alleged were involved in the alleged contributions in the name of another.<sup>4</sup> For the reasons discussed below, we recommend that the Commission dismiss the allegations as to some Respondents and find no reason to believe that other Respondents violated the Act. We also recommend that the Commission close the file in each matter.

### III. Disposition of Remaining Respondents

We recommend that the Commission take no action against the remaining Respondents in MURs 7005 and 7056. These Respondents include the conduits of the \$20,000 in contributions in the name of another addressed in Victor's conciliation agreement: employees and business associates Marta Dani (formerly Marta Grabowska), Nana Yoshioka, and Randall Harris; and family members Adam Victor, Jr., Alexia Victor, Alicia Victor, Jo-Ayla Victor, and Jo-Ann Bruggemann.<sup>8</sup> Another Respondent, Adam Victor Grantor Trust, was used by Victor to purchase the checks used to make the contributions in the names of his family members.<sup>9</sup> The available

<sup>4</sup> See Second Amended Certification, MURs 7005 and 7056 (Nov. 16, 2016).

<sup>8</sup> See Second Gen. Counsel's Report at 2-4, MURs 7005 and 7056.

<sup>9</sup> See *id.* at 3-4; Victor and TGDS Agreement ¶ IV.7.

1 information indicates that the Respondents involved in the reimbursement scheme participated in  
2 the activity at issue at the direction of Victor. Moreover, the record does not suggest that these  
3 persons recruited others into the scheme or that they served as elected officials, which have been  
4 factors in other matters where the Commission did pursue conduits.<sup>10</sup> And Victor and TGDS are  
5 willing to accept full responsibility, admit to knowing and willful violations, and pay a  
6 substantial civil penalty, allaying the need to further pursue these Respondents. Under these  
7 circumstances, we recommend that the Commission dismiss the allegation that each of these  
8 Respondents violated 52 U.S.C. § 30122.<sup>11</sup>

9 Additional Respondents, including business associates of Victor and various Victor-  
10 controlled entities, do not appear to be involved in the reimbursement of the \$20,000 in  
11 contributions at issue. Some Respondents were allegedly involved in earlier contributions in the  
12 name of another that are beyond the Statute of Limitations ("SOL"). Noel Daley and Michael  
13 C.J. Vanderkemp each made contributions on the same date and in the same amount as earlier  
14 contributions by conduits Marta Dani (formerly Marta Grabowska) and Nana Yoshioka.<sup>12</sup>  
15 Project Orange Associates LLC, an entity apparently controlled by Victor, allegedly reimbursed  
16 contributions that are beyond the SOL.<sup>13</sup> Because these alleged reimbursements are beyond the  
17 SOL, we also recommend that the Commission dismiss the allegation that these three  
18 Respondents violated 52 U.S.C. § 30122.

19 Garry Coulter made contributions to the Manchin and Cain Committees around the same  
20 time as the \$20,000 at issue but has denied any involvement and the evidence at this time does  
21 not show that his contributions were reimbursed.<sup>14</sup> Roberto Larrinaga, a bank official, was  
22 allegedly instructed by Victor to withdraw the funds that Victor used to purchase the checks he  
23 used to make contributions in the names of his family members but denies involvement in any  
24 violations of the Act and the evidence does not suggest otherwise.<sup>15</sup> Finally, Respondent  
25 entities, TransGas Energy Systems LLC, Gas Alternative Systems, Inc., Adam Victor & Son  
26 Stables LLC, and USA Risk Intermediaries LLC, the evidence does not indicate any role in the

<sup>10</sup> See Third Gen. Counsel's Rpt. at 10, MUR 6465 (Gary Husk, *et al.*); Commission Certification ¶ 3, MUR 6465 (Gary Husk, *et al.*) (Feb. 27, 2015); First Gen. Counsel's Rpt. at 15-16, MUR 6054 (Venice Nissan, *et al.*); Sixth Gen. Counsel's Rpt. at 4, MUR 6054 (Venice Nissan, *et al.*) (Commission took no action at that time with certain employee conduits and then closed the file as to those individuals where the investigation failed to indicate they were active participants in the reimbursement activity); Commission Certification ¶ 3, MUR 6054 (Venice Nissan, *et al.*) (Aug. 24, 2010). See also MUR 5871 (Restivo, *et al.*) (Commission took no action as to conduits who were not elected officials and had a limited role in the activity at issue, but conciliated with "super-conduits").

<sup>11</sup> See *Heckler v. Chaney*, 470 U.S. 821 (1985).

<sup>12</sup> See *id.* at 6-7, n.29.

<sup>13</sup> See MUR 7005 Compl. at 6-8; Victor Resp. Yoshioka Decl. (photocopies of checks accompanying Declaration) (June 8, 2016).

<sup>14</sup> See Second Gen. Counsel's Rpt. at 2 n.5, MURs 7005 and 7056.

<sup>15</sup> See First Gen. Counsel's Rpt. at 10, n.43.

contributions at issue.<sup>16</sup> We recommend that the Commission find no reason to believe that these Respondents violated 52 U.S.C. § 30122.

Finally, we recommend that the Commission close the file in each matter.

#### IV. Recommendations

##### MUR 7005 and 7056

1. Accept the attached signed conciliation agreement with Adam H. Victor and TransGas Development Systems, LLC;
2. Dismiss the allegations that Marta Dani (formerly Marta Grabowska), Nana Yoshioka, Randall Harris, Adam Victor, Jr., Alexia Victor, Alicia Victor, Jo-Ayla Victor, and Jo-Ann Bruggemann violated 52 U.S.C. § 30122;
3. Find no reason to believe that Garry Coulter violated 52 U.S.C. § 30122.

##### MUR 7005

1. Dismiss the allegations that Adam Victor Grantor Trust, Noel Daley, Michael C.J. Vanderkemp, and Project Orange Associates LLC violated 52 U.S.C. § 30122;
2. Find no reason to believe that TransGas Energy Systems LLC, Gas Alternative Systems, Inc., or Adam Victor & Son Stables LLC violated 52 U.S.C. § 30122;
3. Approve the appropriate letters; and
4. Close the file.

##### MUR 7056

1. Find no reason to believe that Roberto Larrinaga or USA Risk Intermediaries LLC violated 52 U.S.C. § 30122
2. Approve the appropriate letters; and
3. Close the file.

<sup>16</sup> See MUR 7005 Compl. at 1; MUR 7056 Compl. at 2, 6, 10.